

OCA FILE

*log*

15 August 1988

OCA 2748-88

MEMORANDUM FOR: Chief, Logistics & Procurement Law Division/OGC  
Chief, Administrative Law Division/OGC  
Chief, Procurement Management Staff/OL

FROM:  Legislation Division  
Office of Congressional Affairs

STAT

SUBJECT: Consulting Services Provision in Senate  
DoD Appropriations Bill

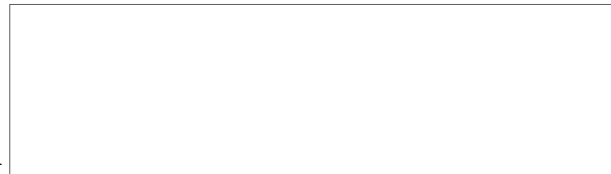
1. On 8 August 1988, the Senate approved an amendment to the Department of Defense Appropriations Bill (attached) which would require the reduction of funds expended for certain consulting services in FY89 to 85 percent of that expended in FY87. Both the House and Senate have passed the DoD appropriations bill and we anticipate that conference will occur in September.

2. I ask that you review the amendment and determine whether the Agency should seek an exception. If so, please suggest language which would remedy the problem. You may contact me on

STAT

STAT

Attachment



SUBJECT: Memo to C/L&PLD/OGC; C/ALD/OGC; C/PMS/OL re Consulting  
Services Provision in Senate DoD Appropriations Bill

OCA/RMH/bsb:  15 Aug 88

STAT

Distribution:

Orig - addressee(s)

1 - D/OCA (w/att.)

1 - DD/LEG (w/att.)

1 - SA/OCA (Attn:  (w/att.)

STAT

1 - OCA Records (w/att.)

1 - RMH Chrono (w/o att.)

1 - OCA/LEG Subj. File (Procurement/Small Business)

the Senator from Louisiana, manager of the bill on his side, agree that it is a good proposal. **JOHNSTON.** Mr. President, we this leave policy has been used successfully in the Defense Logistic Agency and can very well be employed in the Department-wide. We support the amendment.

**THE PRESIDING OFFICER.** The motion is on agreeing to the amendment offered by the Senator from Alaska (Mr. STEVENS).

The amendment (No. 2818) was agreed to.

**Mr. STEVENS.** Mr. President, I move to reconsider the vote by which the amendment was agreed to.

**Mr. JOHNSTON.** I move to lay that motion on the table.

The motion to lay on the table was agreed to.

#### AMENDMENT NO. 2819

**(Purpose:** To specify that the public announcement of projects, programs, or grants that are in whole or in part funded by the federal government identify the portion of federal funds involved)

**Mr. STEVENS.** Mr. President, I send an amendment to the desk and ask for its immediate consideration.

**THE PRESIDING OFFICER.** The clerk will report.

The legislative clerk read as follows: The Senator from Alaska (Mr. STEVENS) proposes an amendment numbered 2819.

**Mr. STEVENS.** Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

**THE PRESIDING OFFICER.** Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following:

**Sec. .** When issuing statements, press releases, requests for proposals, bid solicitations, and other documents describing projects or programs funded in whole or in part with Federal money, all grantees receiving Federal funds, including but not limited to State and local governments, shall clearly state (1) the percentage of the total cost of the program or project which will be financed with Federal money, and (2) the dollar amount of Federal funds for the project or program.

**Mr. STEVENS.** Mr. President, the amendment I have proposed has no budgetary impact, and does not add to detract from a single program contained in this bill. This proposal simply requires the recipient of Federal funds for any project, or program, or grant to identify the portion of Federal support provided for that activity.

The budget constraints that have faced the Congress over the past 2 years have generated a significant change in how many public works and improvement programs are funded. The States, local governments, and the Federal Government have forged a new partnership to share in the costs of many projects previously supported solely by Federal funds. I believe that this has been a positive development, leading to better projects and a genuine shared commitment to the success

of these initiatives by all parties involved.

I believe that the Federal Government should remain a significant contributor to such projects. Recognizing the various resources critical to the success of these programs, I simply propose that any announcement or publication of these programs specifically and fully identify the Federal contribution. I believe that this approach respects the roles of all participants in such projects, while insuring that the beneficiaries of these activities can perceive the cooperative role of all levels of government.

**Mr. President,** this amendment is quite similar to an amendment that has now been added, at my request, to five other appropriations bills this year. I would hope it would become a general provision, but I must add that to a defense authorization bill one of these days. This is, as we all know, an annual bill.

I think it is a matter of taxpayer concern. They ought to be informed how much money comes from Federal sources in any program, project or grant activity. This would accomplish that objective.

**Mr. JOHNSTON.** Mr. President, the distinguished Senator from Alaska correctly describes the amendment. We support the amendment.

**THE PRESIDING OFFICER.** The question is on agreeing to the amendment offered by the Senator from Alaska (Mr. STEVENS).

The amendment (No. 2819) was agreed to.

**Mr. STEVENS.** Mr. President, I move to reconsider the vote by which the amendment was agreed to.

**Mr. JOHNSTON.** I move to lay that motion on the table.

The motion to lay on the table was agreed to.

**Mr. JOHNSTON.** Mr. President, I suggest the absence of a quorum.

**THE PRESIDING OFFICER.** The clerk will call the roll.

The legislative clerk proceeded to call the roll.

**Mr. PRYOR.** Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

**THE PRESIDING OFFICER.** Without objection, it is so ordered.

#### AMENDMENT NO. 2820

**(Purpose:** To reduce certain appropriations for consulting services)

**Mr. PRYOR.** Mr. President, I send an amendment to the desk and ask for its immediate consideration.

**THE PRESIDING OFFICER.** The amendment will be stated.

The legislative clerk read as follows: The Senator from Arkansas (Mr. PRYOR) proposes an amendment numbered 2820.

**Mr. PRYOR.** Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

**THE PRESIDING OFFICER.** Without objection, it is so ordered.

The amendment is as follows: At the end of the bill, add the following:

#### CONSULTING SERVICES

**Sec. .** (a) Notwithstanding any other provision of this Act, no department, agency, or instrumentality of the United States Government receiving appropriated funds under this Act for fiscal year 1989, shall, during fiscal year 1989, obligate and expend funds for consulting services involving management and professional services; special studies and analyses; technical assistance; and management review of program funded organizations; in excess of an amount equal to 85 percent of the amount obligated and expended by such department, agency, or instrumentality for such services during fiscal year 1987.

(b) The Director of the Office of Management and Budget shall take such action as may be necessary, through budget instructions or otherwise, to direct each department, agency, and instrumentality of the United States to comply with the provisions of section 1114 of title 31, United States Code.

(c) Notwithstanding any other provision of this Act, the aggregate amount of funds appropriated by this Act to any such department, agency, or instrumentality for fiscal year 1989 is reduced by an amount equal to 15 percent of the amount expended by such department, agency, or instrumentality during fiscal year 1987 for purposes described under subsection (a).

(d) As used in this section, the term "consulting services" includes any service within the definition of "Advisory and Assistance Services" in Office of Management and Budget Circular A-129, dated January 4, 1988.

**Mr. PRYOR.** Mr. President, this is the ninth of a series of amendments that I have been offering to the appropriations bills coming through the Senate. All of these amendments have dealt with the issue of the shadow government of contracting out of services that have normally been performed by Federal employees that are now performed in the private sector.

We have anticipated, Mr. President, the savings of something in the neighborhood of probably \$300 to \$400 million thus far saved. In some cases returned to the Treasury directly, in some cases kept by the respective subcommittees that have dealt with these particular matters before the Senate.

Tonight's amendment, Mr. President, will relate to the Department of Defense and if this amendment is agreed to, if this amendment is successful, and if it is passed in the Senate and in the House, we will be saving the American taxpayers expenditures, on dollars now being spent for consultants, somewhere in the neighborhood of \$420 million.

**Mr. President,** we arrive at this figure very simply. The General Accounting Office in recent months has actually listed, now, 11 categories of consulting and outside services that the Federal Government is employing.

For example, we in this particular bill are taking from the top four categories that definitely without question, according to the General Accounting Office, involve consulting services which amounted, in 1987 to \$2.8 billion. We are taking 15 percent from that \$2.8 billion figure, thus